

Author: Lowenthal Analyst: Angela Raygoza Bill Number: SB 585Related Bills: See prior Analysis Telephone: 845-7814 Amended Date: May 27, 2008Attorney: Patrick Kusiak Sponsor: _____**SUBJECT:** Low-Income Housing Tax Credit Allocation

_____ ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.

_____ TECHNICAL BILL – No program or fiscal changes to existing program.

_____ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.

_____ TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is _____.

_____ MINOR AMENDMENT – Remainder of previous analysis of the bill as amended

X May 1, 2008, still applies.

_____ MINOR AMENDMENT – No change in approved position of _____.
See Comments below

X OTHER – See comments below.

COMMENTS:

This bill would specify how the Low-Income Housing Credit (LIHC) may be allocated to partners and when losses of partners are recognized upon disposition.

The May 27, 2008, amendments would clarify that the deferral rule is explicitly limited to partners that are allocated a state credit for deferral of any loss or deduction attributable to the sale, transfer, exchange, abandonment, or any other disposition of a partnership interest where the credit was allocated without substantial economic effect. The technical consideration discussed in the analysis as amended on May 1, 2008, has been resolved.

These changes would not impact the department's programs and operations or state income tax revenue. The department's analysis of the bill as amended May 1, 2008, still applies.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	<u>X</u> NAR
_____ N	_____ OUA	_____ PENDING

Franchise Tax Board Staff

Date

Angela Raygoza

6/6/08